



General Assembly

February Session, 2006

Raised Bill No. 5551

LCO No. 2011

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Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT ESTABLISHING THE LITCHFIELD HILLS REGIONAL WATER AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective from passage*) It is found and declared as a matter
2 of legislative determination that the creation of the Litchfield Hills
3 Regional Water Authority for the primary purpose of providing and
4 assuring the provision of an adequate supply of pure water at
5 reasonable cost within the Litchfield Hills Regional Water District and
6 such other areas as may be served pursuant to cooperative agreements
7 and acquisitions authorized by section 11 of this act to the degree
8 consistent with the foregoing, of advancing water conservation and the
9 conservation and compatible recreational use of land held by the
10 authority, and the carrying out of its powers, purposes, and duties
11 under sections 1 to 32, inclusive, this act are for the benefit of the
12 people residing in the Litchfield Hills Regional Water District and the
13 state of Connecticut, and for the improvement of their health, safety
14 and welfare, that said purposes are public purposes, and that the
15 authority will be performing an essential governmental function in the
16 exercise of its powers under sections 1 to 32, inclusive, of this act.

17 Sec. 2. (*Effective from passage*) As used in sections 1 to 32, inclusive, of
18 this act:

19 (1) "Authority" means the Litchfield Hills Regional Water Authority
20 created by section 5 of this act;

21 (2) "District" means the Litchfield Hills Regional Water District
22 created by section 3 of this act;

23 (3) "Representative review board" means the representative review
24 board of the Litchfield Hills Regional Water District created by section
25 4 of this act;

26 (4) "Chief executive officer" means the full-time employee of the
27 authority responsible for the execution of the policies of the authority
28 and for the direction of the other employees of the authority;

29 (5) "Treasurer" means the treasurer of the authority;

30 (6) "Customer" means any person, firm, corporation, company,
31 association or governmental unit furnished water service by the
32 authority or any owner of property who guarantees payment for water
33 service to such property;

34 (7) "Properties" means the water supply and distribution system or
35 systems, and other real or personal property of the authority;

36 (8) "Bonds" means bonds, notes and other obligations issued by the
37 authority;

38 (9) "Revenues" means all rents, charges and other income derived
39 from the operation of the properties of the authority;

40 (10) "Water supply system" means plants, structures and other real
41 and personal property acquired, constructed or operated for the
42 purpose of supplying water, basins, dams, canals, aqueducts,
43 standpipes, pumping stations, water distribution systems, including
44 land, reservoirs, conduits, pipelines, mains, compensating reservoirs,

45 waterworks or sources of water supply, wells, purification or filtration
46 plants or other plants and works, connections, rights of flowage or
47 diversion and other plants, structures, conveyances, real or personal
48 property or rights therein and appurtenances necessary or useful and
49 convenient for the accumulation, supply or distribution of water.

50 Sec. 3. (*Effective from passage*) (a) There is created a district to be
51 known as the "Litchfield Hills Regional Water District" which
52 embraces the area and territory of the towns of Burlington, Goshen,
53 Harwinton, Litchfield, New Hartford, Norfolk, and the city of
54 Torrington. If, on or after June 30, 2006, the authority purchases land or
55 properties or sells water services directly to customers in any city or
56 town within the district, the area and territory of such city or town
57 thereupon shall be excluded from the district. The authority may
58 establish procedures to add towns or cities to the district.

59 Sec. 4. (*Effective from passage*) (a) There shall be a representative
60 review board of the Litchfield Hills Regional Water District which
61 shall consist of four electors from the city of Torrington and one elector
62 from each of the other towns within the district who shall be appointed
63 by the chief elected official of such city or town, with the approval of
64 the majority of the city council or board of selectmen, as the case may
65 be. Members shall serve for a term of three years commencing July
66 first, except that the members first appointed shall serve as follows:
67 One member appointed from Torrington, Harwinton and Norfolk shall
68 serve a one-year term, one member appointed from Torrington, New
69 Hartford and Burlington shall serve a two-year term, two members
70 appointed from Torrington and one member appointed from Goshen
71 and one member appointed from Litchfield shall serve a three-year
72 term. Members shall continue to serve until their successors are
73 appointed and have qualified. In the event of the resignation, death or
74 disability of a member from any city or town, a successor may be
75 appointed by the chief elected official of such city or town for the
76 unexpired portion of the term. Members shall receive one hundred
77 dollars for each day in which they are engaged in their duties and shall

78 be reimbursed for their necessary expenses incurred in the
79 performance of their duties. They shall elect a chairman and a vice-
80 chairman, who shall be members of the representative review board
81 and a secretary. The chairman shall receive a per diem payment of one
82 and one-half times the amount paid to members. The representative
83 review board shall meet at least quarterly with the authority and such
84 members of the staff of the authority as the representative review
85 board deems appropriate.

86 (b) (1) For the purposes of this section, "number of customers"
87 means the number of premises or groups of premises treated as units
88 for ordinary billing or other ordinary receipt of charges by the
89 authority and shall be determined from the records of the authority on
90 the last day of its preceding fiscal year and "number of acres of land"
91 means the number of acres of land rounded to the nearest whole
92 number as may appear on the records of the authority on the last day
93 of its preceding fiscal year.

94 (2) In voting upon all matters before the representative review
95 board, the vote of each member from a city or town shall be accorded a
96 weight, determined as follows: (1) Adding (A) the quotient obtained
97 by dividing the number of customers in the city or town by nine
98 hundred, rounded to the next whole number, and (B) the quotient
99 obtained by dividing the number of acres of land in the city or town by
100 dividing by four thousand, rounded up to the next whole number, and
101 (2) dividing the sum obtained pursuant to subdivision (1) of this
102 section by the number of its representative members of each town and
103 city.

104 (3) Whenever a vote is taken on any matter by the representative
105 review board, the vote shall be determined in accordance with this
106 subsection. Members of the representative review board holding a
107 majority of the votes so weighted shall constitute a quorum.

108 (c) The representative review board shall adopt and may amend
109 such rules of procedure and bylaws for the conduct of its affairs as it

110 deems appropriate. It may establish (1) a standing committee on land
111 use and management to consult with the authority on all matters of
112 land use and management, including acquisition and sale, recreational
113 use, cutting of timber and other products, mining and quarrying; (2) a
114 standing committee on finance to consult with the authority on matters
115 relating to financial and budgetary matters and the establishment of
116 rates; and (3) a standing committee on consumer affairs to consult with
117 the authority and the officer of consumer affairs established pursuant
118 to section 15 of this act on matters concerning the interests of people
119 residing within the district. The representative review board may
120 appoint such other committees as it considers convenient from time to
121 time.

122 Sec. 5. (*Effective from passage*) A public corporation, to be known as
123 the "Litchfield Hills Regional Water Authority", constituting a public
124 instrumentality and political subdivision, is created for the purposes,
125 charged with the duties and granted the powers provided in sections 1
126 to 32, inclusive, of this act. The authority shall consist of five members
127 who shall not be members of the representative review board, who
128 shall be residents of the district and who shall be appointed without
129 regard to political affiliation by a majority of the total unweighted
130 votes of those members of the representative review board present at a
131 meeting at which members of said board holding two-thirds of the
132 total votes are present, and by affirmative votes from representatives
133 from a majority of towns, for terms of five years and until their
134 successors are appointed and have qualified, except that the first
135 members shall serve as follows: One shall be appointed for a one-year
136 term, one for a two-year term, one for a three-year term, one for a four-
137 year term, and one for a five-year term. Any vacancy occurring on the
138 authority shall be filled in the same manner for the unexpired portion
139 of the term. Any member of the authority may be removed from office
140 by the representative review board for cause. Members of the authority
141 may receive such compensation for their services as shall be fixed by
142 the representative review board and may be reimbursed for their
143 necessary expenses incurred in performance of their duties.

144 Sec. 6. (*Effective from passage*) The duration of the representative
145 review board and of the authority shall be perpetual unless terminated
146 or altered by act of the General Assembly, provided the General
147 Assembly shall not terminate the existence of the authority until all of
148 its liabilities have been met and its bonds have been paid in full or
149 such liabilities and bonds have otherwise been discharged.

150 Sec. 7. (*Effective from passage*) The officers of the authority shall be a
151 chairman and a vice-chairman, who shall be members of the authority,
152 and a treasurer and a secretary, who may be members of the authority.
153 The first chairman shall be designated by the representative review
154 board for a two-year term and subsequent chairman shall be elected by
155 the authority for two-year terms. All other officers shall be elected by
156 the authority for one-year terms. The treasurer shall execute a bond
157 conditioned upon the faithful performance of the duties of his office,
158 the amount and sufficiency of which shall be approved by the
159 authority and the premium therefor shall be paid by the authority. The
160 authority shall, from time to time, appoint an agent for the service of
161 process, and shall notify the Secretary of the State of the name and
162 address of said agent.

163 Sec. 8. (*Effective from passage*) The authority may employ such
164 persons as it may determine to be necessary or convenient for the
165 performance of its duties and may fix and determine their
166 qualifications, duties and compensation, provided the appointment of
167 the chief executive officer shall be subject to the approval of the
168 representative review board. The authority shall establish a position
169 with ongoing responsibilities for the use and management of its land
170 resources and such other senior managerial positions as it deems
171 appropriate, which shall be filled by appointment by the chief
172 executive officer with the approval of the authority. The authority may
173 also from time to time contract for professional services.

174 Sec. 9. (*Effective from passage*) The authority shall meet at least
175 monthly. Except as the bylaws of the authority may provide in

176 emergency situations, the powers of the authority shall be exercised by
177 the members at a meeting duly called and held. Three members shall
178 constitute a quorum, and no action shall be taken except pursuant to
179 the affirmative vote of at least three members. The authority may
180 delegate to one or more of its members, officers, agents or employees
181 such powers and duties as it may deem proper.

182 Sec. 10. (*Effective from passage*) Whenever a public hearing is required
183 under sections 1 to 32, inclusive, of this act, notice of such hearing shall
184 be published by the representative review board at least twenty days
185 before the date set therefor, in a newspaper or newspapers having a
186 general circulation in each city and town comprising the district. Such
187 notice shall set forth the date, time and place of such hearing and shall
188 include a description of the matters to be considered at such hearing. A
189 copy of the notice shall be filed in the office of the clerk of each such
190 city and town and shall be available for inspection by the public. At
191 such hearings, all the users of the water supply system, owners of
192 property served or to be served and other interested persons shall have
193 an opportunity to be heard concerning the matter under consideration.
194 When appropriate, the chairman of the representative review board
195 may convene more than one hearing on any matter and direct such
196 hearings to be held in suitable locations within the district so as to
197 assure broader participation by the general public in discussion of the
198 matters under consideration, provided in sections 1 to 32, inclusive, of
199 this act this act. A public hearing shall be held in the city or town in
200 which such real property is situated. Any decision of the
201 representative review board on matters considered at such public
202 hearing shall be in writing and shall be published in a newspaper or
203 newspapers having a general circulation in each city and town
204 comprising the district not later than thirty days after such decision is
205 made.

206 Sec. 11. (*Effective from passage*) Subject to the provisions of sections
207 1 to 32, inclusive, of this act, the authority shall have the power: (1) To
208 sue and be sued; (2) to have a seal and alter the same at its pleasure; (3)

209 to acquire in the name of the authority by purchase, lease or otherwise
210 and to hold and dispose of personal property or any interest therein,
211 including shares of stock of a subsidiary corporation; (4) to acquire in
212 the name of the authority by purchase, lease or otherwise and to hold
213 and dispose of any real property or interest therein, including water
214 rights and rights of way and water discharge rights, which the
215 authority determines to be necessary or convenient, and to acquire any
216 existing water supply system or parts thereof which are wholly or
217 partially within the district as described in section 3 of this act. As a
218 means of acquiring any real property or interests therein, the authority
219 or a subsidiary corporation may purchase all of the stock or all of any
220 part of the assets and franchises of any existing privately owned water
221 company, whereupon the authority or such subsidiary corporation
222 shall succeed to all rights, powers and franchises thereof. Sections 16-
223 43, 16-50c and 16-50d of the 2006 supplement to the general statutes
224 shall not apply to any action by the authority or a subsidiary
225 corporation or any action by any privately owned water company, as
226 defined in section 16-1 of the 2006 supplement to the general statutes,
227 taken to effectuate the acquisition of the stock or all or any part of the
228 assets and franchises of such water company by the authority.
229 Notwithstanding the provisions of section 25-32 of the general statutes,
230 land may be transferred to the authority or a subsidiary corporation of
231 the authority as part of such an acquisition. The Commissioner of
232 Public Health shall not grant a permit for a change in the use of any
233 class I or class II land owned by the authority on the effective date of
234 this section and not transferred to the authority or a subsidiary
235 corporation or a permit for the sale, lease or assignment of any such
236 class II land, unless (1) all provisions of said section 25-32 are complied
237 with; (2) the Commissioner of Public Health determines, after a
238 hearing, notice of which shall be published not later than thirty days
239 before the hearing in one or more newspapers having a substantial
240 circulation in the municipalities in which the land is located, that such
241 change in the use or sale, lease, or assignment of the land will not have
242 a significant adverse impact upon present and future water supply

243 needs of the authority or a subsidiary corporation of the authority; (5)
244 to construct and develop any water supply system; (6) to own, operate,
245 maintain, repair, improve, construct, reconstruct, replace, enlarge and
246 extend any of its properties; (7) notwithstanding the provisions of any
247 general statute, special act or charter, but subject to the provisions of
248 section 12 of this act to sell water, however acquired, to customers
249 within the district or to any municipality or water company; (8)
250 notwithstanding the provisions of the general statutes or any special
251 act or charter, to purchase water approved by the Commissioner of
252 Public Health from any person, private corporation or municipality
253 when necessary or convenient for the operation of any water supply
254 system operated by the authority; (9) to adopt and amend bylaws,
255 rules and regulations for the management and regulation of its affairs
256 and for the use and protection of the water and properties of the
257 authority or a subsidiary corporation and, subject to the provisions of
258 any resolution authorizing the issuance of bonds, rules for the sale of
259 water, and the collection of rents and charges for water supply
260 functions. A copy of such bylaws, rules and regulations and all
261 amendments thereto, certified by the secretary of the authority, shall
262 be filed in the office of the Secretary of the State and with the clerk of
263 each town and city within the district. Any superior court located
264 within the district shall have jurisdiction over any violation of such
265 bylaws, rules or regulations and the authority may prosecute actions
266 before the superior court to enforce such bylaws, rules and regulations;
267 (10) to make contracts and to execute all necessary or convenient
268 instruments, including evidences of indebtedness, negotiable or
269 nonnegotiable; (11) to borrow money, to issue negotiable bonds or
270 notes, to fund and refund the same and to provide for the rights of the
271 holders of the authority's obligations; (12) to open the grounds in any
272 public street or way or public grounds for the purpose of laying,
273 installing, maintaining or replacing pipes and conduits, provided upon
274 the completion of such work the grounds shall be restored to the
275 condition they were in previously; (13) to enter into cooperative
276 agreements with other water authorities, municipalities, water

277 districts, water companies within or without the district for
278 interconnection of facilities, for exchange or interchange of services
279 and commodities or for any other lawful purpose necessary or
280 desirable to effect the purposes of sections 1 to 32, inclusive, of this act,
281 such agreements to be binding for a period specified therein; (14) to
282 acquire, hold, develop and maintain land and other real estate and
283 waters for conservation and for compatible active and passive
284 recreational purposes and to levy charges for such uses, provided the
285 Department of Public Health finds that such uses will not harm the
286 quality of water provided by the authority; (15) to apply for and accept
287 grants, loans or contributions from the United States, the state of
288 Connecticut or any agency, instrumentality or subdivision of either of
289 them or from any person, and to expend the proceeds for any of its
290 purposes; (16) to create programs and policies for the purpose of
291 conserving water; and (17) to do any and all things necessary or
292 convenient to carry out the powers expressly given in sections 1 to 32,
293 inclusive, of this act, including the powers granted by the general
294 statutes to stock corporations, except the power to issue stock.

295 Sec. 12. (*Effective from passage*) The authority shall not sell water to
296 customers in any part of the district with respect to which any person,
297 any firm or any corporation incorporated under the general statutes or
298 any special act has been granted a franchise to operate as a water
299 company, as defined in section 16-1 of the 2006 supplement to the
300 general statutes, or in which any town, city or borough or any district
301 organized for municipal purposes operates a municipal water supply
302 system, unless the legislative body of such town, city, borough or
303 district, such person, or the governing board of such firm or
304 corporation shall consent, in writing, to such sale by the authority. The
305 authority shall not extend water supply services into new areas
306 previously unserved without the approval of either the legislative
307 body of the town, city, borough or district in which such area is
308 located.

309 Sec. 13. (*Effective from passage*) (a) If the authority cannot agree with

310 any owner upon the terms of acquisition by the authority of any real or
311 personal property or interest therein which the authority is authorized
312 to acquire, the authority may proceed, at its election, in the manner
313 provided in subsection (b) of this section or in the manner provided in
314 subsection (c) of this section. The provisions of this section shall not
315 apply to the acquisition of (1) any real or personal property or interest
316 therein, the legal title to which is vested in the state or a political
317 subdivision thereof, or (2) any existing water supply system.

318 (b) The authority may, after ten days' written notice to such owner,
319 petition the superior court for the county or judicial district in which
320 such property is located, or, if said court is not then sitting, any judge
321 of said court, and thereupon said court or such judge shall appoint a
322 committee of three disinterested persons, who shall be sworn before
323 commencing their duties. Such committee, after giving reasonable
324 notice to the parties, shall view the property in question, hear the
325 evidence, ascertain the value, assess just damages to the owner or
326 parties interested in the property and report its actions to said court or
327 such judge. Not later than fourteen days after such report is made to
328 said court or such judge, any party may move for the acceptance
329 thereof. Said court or such judge may accept such report or may reject
330 it for irregular or improper conduct by the committee in the
331 performance of its duties. If the report is rejected, the court or judge
332 shall appoint another committee, which shall proceed in the same
333 manner as did the first committee. If the report is accepted, such
334 acceptance shall have the effect of a judgment in favor of the owner of
335 the property against said authority for the amount of such assessment,
336 and, except as otherwise provided by law, execution may issue
337 therefor. Such property shall not be used by such authority until the
338 amount of such assessment has been paid to the party to whom it is
339 due or deposited for his use with the State Treasurer and, upon such
340 payment or deposit, such property shall become the property of the
341 authority; provided, if at any stage of condemnation proceedings
342 brought under this section, it appears to the court or judge before
343 whom such proceedings are pending that the public interest will be

344 prejudiced by delay, said court or such judge may direct that the
345 authority be permitted to enter immediately upon the property to be
346 taken and devote it temporarily to the public use specified in such
347 petition upon the deposit with said court of a sum to be fixed by said
348 court or such judge, upon notice to the parties of not less than ten days,
349 and such sum when so fixed and paid shall be applied so far as it may
350 be necessary for the purpose of the payment of any award of damages
351 which may be made, with interest thereon from the date of the order of
352 said court or judge, and the remainder, if any, returned to the
353 authority. If such petition is dismissed or no award of damages is
354 made, said court or such judge shall direct that the money so
355 deposited, so far as it may be necessary, shall be applied to the
356 payment of any damages that the owner of such property or other
357 parties in interest may have sustained by such entry upon and use of
358 such property, and of the costs and expenses of such proceedings, such
359 damages to be ascertained by said court or such judge or a committee
360 to be appointed for that purpose, and if the sum so deposited is
361 insufficient to pay such damages and all costs and expenses so
362 awarded, judgment shall be entered against the authority for the
363 deficiency, to be enforced and collected in the same manner as a
364 judgment from the superior court; and the possession of such property
365 shall be restored to the owner or owners thereof. The expenses or costs
366 of any such proceedings shall be taxed by said court or such judge and
367 paid by the authority.

368 (c) The authority, in its name, may proceed in the manner specified
369 for redevelopment agencies in accordance with sections 8-128 to 8-132,
370 inclusive, of the general statutes.

371 Sec. 14. (*Effective from passage*) With the approval of the
372 representative review board, the authority shall establish just and
373 equitable rates or charges for the use of the water supply system
374 authorized in this section, to be paid by any customer, and may change
375 such rates or charges from time to time. Such water supply system
376 rates or charges shall be established so as to provide funds sufficient in

377 each year, with other water supply related revenues, if any, (1) to pay
378 the cost of maintaining, repairing and operating the water supply
379 system and each and every portion thereof, to the extent that adequate
380 provision for the payment of such cost has not otherwise been made,
381 (2) to pay the principal of and the interest on outstanding water supply
382 bonds of the authority as the same shall become due and payable, (3)
383 to meet any requirements of any resolution authorizing, or trust
384 agreement securing, such bonds of the authority, (4) to make payments
385 in lieu of taxes as provided in section 21 of this act as the same become
386 due and payable, upon the water supply system properties of the
387 authority or of a subsidiary corporation to the municipalities in which
388 such properties are situated, (5) to provide for the maintenance,
389 conservation and appropriate recreational use of the land of the
390 authority, and (6) to pay all other reasonable and necessary expenses
391 of the authority and of the representative review board to the extent
392 that such expenses are allocable to the water supply system activities
393 of the authority and the representative review board. Any change in
394 such rates or charges shall be made in the same manner in which they
395 were established. The rates or charges levied upon any customer of
396 any water supply system acquired pursuant to subdivision (4) of
397 section 11 of this act or served pursuant to a cooperative agreement
398 pursuant to subdivision (13) of section 11 of this act shall not be
399 required to be equalized with the authority's existing rates, but may be
400 set on a separate basis, provided such rates are just, equitable and
401 nondiscriminatory. Such rates or charges, if not paid when due, shall
402 constitute a lien upon the premises served and a charge against the
403 owners thereof, which lien and charge shall bear interest at the same
404 rate as would unpaid taxes. Such lien shall take precedence over all
405 other liens or encumbrances except taxes and may be foreclosed
406 against the lot or building served in the same manner as a lien for
407 taxes, provided all such liens shall continue until such time as they
408 shall be discharged or foreclosed by the authority without the
409 necessity of filing certificates of continuation, but in no event for longer
410 than ten years. The amount of any such rate or charge which remains

411 due and unpaid for thirty days may, with interest thereon at the same
412 rate as unpaid taxes and with reasonable attorneys' fees, be recovered
413 by the authority in a civil action in the name of the authority against
414 such owners. Any municipality shall be subject to the same rate or
415 charges under the same conditions as other users of the water supply
416 system.

417 Sec. 15. (*Effective from passage*) (a) The representative review board
418 may establish an office of consumer affairs to act as the advocate for
419 consumer interests in all matters which may affect consumers,
420 including, without limitation, matters of rates, water quality and
421 supply service quality. The costs of such office of consumer affairs,
422 unless otherwise provided by the state, shall be paid by the authority.

423 (b) The office of consumer affairs may appear and participate in any
424 regulatory or judicial proceedings, federal or state, in which the
425 interests of consumers may be involved. The office of consumer affairs
426 shall have access to the authority's records, shall be entitled to call
427 upon the assistance of the authority's experts and shall have the benefit
428 of all other facilities or information of the authority in carrying out the
429 duties of the office, except for such internal documents, information or
430 data as are not available to parties to the authority's proceedings.

431 (c) Nothing in this section shall be construed to prevent any party
432 interested in any proceeding or action of the authority from appearing
433 in person or from being represented by counsel therein.

434 (d) As used in this section, "consumer" means any person, company,
435 corporation, association, city, borough or town that receives service
436 from the authority or a subsidiary corporation whether or not such
437 person, company, corporation, association, city, borough or town is
438 financially responsible for such service.

439 Sec. 16. (*Effective from passage*) All contracts of the authority in excess
440 of fifty thousand dollars for any supplies, materials, equipment,
441 construction work or other contractual services shall be in writing and

442 shall be awarded upon sealed bids or proposals made in compliance
443 with a public notice advertised by publication at least ten days before
444 the time fixed for opening said bids or proposals, except for contracts
445 for professional services, when the supplies, materials, equipment or
446 work can only be furnished by a single party or when the authority
447 determines by a four-fifths vote of the entire authority that the award
448 of such contract by negotiation without public bidding will be in the
449 best interest of the authority. The authority may, in its sole discretion,
450 reject all such bids or proposals or any bids received from a person,
451 firm or corporation the authority finds to be unqualified to perform the
452 contract, and shall award such contract to the lowest responsible
453 bidder qualified to perform the contract.

454 Sec. 17. (*Effective from passage*) (a) If any member or employee of the
455 representative review board or of the authority is financially interested
456 in or has any personal beneficial interest, directly or indirectly, in any
457 proposed contract or proposed purchase order for any supplies,
458 materials, equipment or contractual services to be furnished to or used
459 by the representative review board or the authority, such member or
460 employee shall immediately so inform the representative review board
461 or the authority, whichever he is a member or employee of, and shall
462 take no part in the deliberations or vote concerning such contract or
463 purchase order. The representative review board and the authority, as
464 to its members and employees, as the case may be, may terminate the
465 membership or employment of any person who violates this
466 subsection.

467 (b) No member or employee of the representative review board or
468 of the authority shall accept or receive, directly or indirectly, from any
469 person, firm or corporation to which any contract or purchase order
470 may be awarded, by rebate, gift or otherwise, any promise, obligation
471 or contract for future reward or compensation or any money or any
472 thing of value in excess of ten dollars, provided the aggregate value of
473 all such things provided by a donor to a recipient in any calendar year
474 shall not exceed fifty dollars and, excluding any food or beverage,

475 costing less than fifty dollars in the aggregate per recipient in a
476 calendar year, and consumed on an occasion or occasions at which the
477 person paying, directly or indirectly, for the food or beverage, or his
478 representative, is in attendance. Any person who violates any
479 provision of this subsection shall be fined not more than five hundred
480 dollars or imprisoned for not more than six months, or both.

481 Sec. 18. (*Effective from passage*) (a) Notwithstanding any other
482 provision of sections 1 to 32, inclusive, of this act, the authority shall
483 not sell or otherwise transfer any unimproved real property or any
484 interest or right therein, except for access or utility purposes, or
485 develop such property for any use not directly related to a water
486 supply function, other than for public recreational use not prohibited
487 by section 25-43c of the general statutes, until the land use standards
488 and disposition policies required by subsection (b) of this section have
489 been approved by the representative review board.

490 (b) Not more than two years after the date it acquires all or part of a
491 water supply system, the authority shall develop and submit to the
492 representative review board for approval (1) standards for
493 determining the suitability of its real property for categories of land
494 use, including which, if any, of its real property may be surplus with
495 regard to the purity and adequacy of both present and future water
496 supply, which, if any, may be desirable for specified modes of
497 recreation or open space use and which may be suitable for other uses,
498 giving due consideration to the state plan of conservation and
499 development, to classification and performance standards
500 recommended in the final report of the council on water company
501 lands pursuant to subsection (c) of section 16-49c of the general
502 statutes and to such other plans and standards as may be appropriate,
503 and (2) policies regarding the disposition of its real property including
504 identification of dispositions which are unlikely to have any significant
505 effect on the environment. Prior to approving any standards or policies
506 specified in this subsection, the representative review board shall hold
507 one or more public hearings to consider the proposed standards and

508 policies. The proposed standards and policies shall be available for
509 public inspection in the offices of the authority from the date notice of
510 such hearing is published. The authority may amend such standards
511 and policies from time to time with the approval of the representative
512 review board, which shall hold public hearings if it deems such
513 amendments substantial.

514 (c) After approval of land use standards and disposition policies in
515 the manner provided in subsection (b) of this section, the authority
516 shall not sell or otherwise transfer any real property or any interest or
517 right therein, except for access or utility purposes, or develop such
518 property for any use not directly related to a water supply function,
519 other than for public recreational use not prohibited by section 25-43c
520 of the general statutes, without the approval of a majority of the
521 weighted votes of all of the members of the representative review
522 board, and without the approval of the members of the legislative
523 body of each affected municipality. The representative review board
524 shall not approve such sale or other transfer unless it determines,
525 following a public hearing, that the proposed action (1) conforms to
526 the established standards and policies of the authority, (2) is not likely
527 to affect the environment adversely, particularly with respect to the
528 purity and adequacy of both present and future water supply, and (3)
529 is in the public interest, giving due consideration, among other factors,
530 to the financial impact of the proposed action on the customers of the
531 authority and on the municipality in which the real property is located.

532 (d) Each request by the authority for approval pursuant to
533 subsection (c) of this section shall be accompanied by an evaluation of
534 the potential impact of the proposed action for which approval is
535 requested. The evaluation shall include the following: (1) A description
536 of the real property and its environment, including its existing
537 watershed function and the costs to the authority of maintaining such
538 property in its current use; (2) a statement that the proposed action
539 conforms to the land classification standards and disposition policies
540 of the authority; (3) a detailed statement of the environmental impact

541 of the proposed action and, if appropriate, of any alternatives to the
542 proposed action, considering (A) direct and indirect effects upon the
543 purity and adequacy of both present and future water supply, (B) the
544 relationship of the proposed action to existing land use plans,
545 including municipal and regional land use plans and the state plan of
546 conservation and development, (C) any adverse environmental effects
547 which cannot be avoided if the proposed action is implemented, (D)
548 any irreversible and irretrievable commitments of resources which
549 would be involved should the proposed action be implemented, and
550 (E) any mitigation measures proposed to minimize adverse
551 environmental impacts; except that for a sale or transfer identified in
552 accordance with subsection (b) of this section as being unlikely to have
553 any significant effect on the environment, the authority may submit a
554 preliminary assessment of the impact likely to occur in lieu of such
555 detailed statement of environmental impact, and the representative
556 review board may, on the basis of such preliminary assessment, waive
557 or modify the requirements for such detailed statement; and (4) a
558 summary of the final evaluation and recommendation of the authority.

559 (e) The representative review board shall submit the evaluation
560 required by subsection (d) of this section for comment and review, at
561 least sixty days prior to the public hearing, to the Department of Public
562 Health, the Office of Policy and Management, the regional planning
563 agency for the region, the chief executive officer of the city or town in
564 which the real property is situated and other appropriate agencies. The
565 board shall also make the evaluation shall be available to the public for
566 inspection. The decision of the representative review board approving
567 or disapproving the proposed action shall be published in a
568 newspaper or newspapers having a general circulation within the
569 district and copies of such decision shall be filed with the clerk of each
570 town and city in the district.

571 (f) (1) No agreement to sell or otherwise transfer any unimproved
572 real property or any interest or right therein may be entered into by the
573 authority except as provided in this subsection.

574 (2) Whenever the authority intends to sell or otherwise transfer any
575 unimproved real property or any interest or right therein after
576 approval by the representative review board, the authority shall first
577 notify, in writing, by certified mail, return receipt requested, the
578 Commissioner of Environmental Protection and the legislative body of
579 the city or town in which such land is situated, of such intention to sell
580 or otherwise transfer such property and the terms of such sale or other
581 transfer.

582 (3) Not later than ninety days after such notice has been given under
583 subdivision (2) of this subsection, the legislative body of the city or
584 town or the Commissioner of Environmental Protection may give
585 written notice to the authority by certified mail, return receipt
586 requested, of the desire of the city, town or state to acquire such
587 property and the commissioner or city or town shall have the right to
588 acquire the interest in the property which the authority has declared its
589 intent to sell or otherwise transfer, provided the state's right to acquire
590 the property shall be secondary to that of the city or town.

591 (4) If the legislative body of the city or town or the Commissioner of
592 Environmental Protection fails to give notice as provided in
593 subdivision (3) of this subsection or gives notice to the authority by
594 certified mail, return receipt requested, that the city, town or state does
595 not desire to acquire such property, the city or town or the state shall
596 have waived its right to acquire such property in accordance with the
597 terms of this subsection.

598 (5) Not later than eighteen months after notice has been given as
599 provided in subdivision (2) of this subsection by the city or town or the
600 state of its desire to acquire such property, the authority shall sell the
601 property to the city or town or the state, as the case may be, or, if the
602 parties cannot agree upon the amount to be paid therefor, the city or
603 town or the state may proceed to acquire the property in the manner
604 specified for redevelopment agencies in accordance with sections 8-128
605 to 8-132, inclusive, of the general statutes, provided property subject to

606 the provisions of subsections (b) and (c) of section 25-32 of the general
607 statutes shall not be sold without the approval of the Department of
608 Public Health.

609 (6) If the city or town or the state fails to acquire the property or to
610 proceed as provided in sections 8-128 to 8-132, inclusive, of the general
611 statutes not later than eighteen months after notice has been given by
612 the city or town or the state of its desire to acquire the property, such
613 city or town or the state shall have waived its rights to acquire such
614 property in accordance with the terms of this subsection.

615 (7) Notwithstanding the provisions of section 21 of this act, the
616 authority shall not be obligated to make payments in lieu of taxes on
617 such property for the period from the date the city or town gives notice
618 of its desire to acquire such property.

619 (8) Notwithstanding the provisions of subdivision (5) of this
620 subsection, if the authority thereafter proposes to sell or otherwise
621 transfer such property to any person subject to less restrictions on use
622 or for a price less than that offered by the authority to the city or town
623 and the state, the authority shall first notify the city or town and the
624 Commissioner of Environmental Protection of such proposal in the
625 manner provided in subdivision (2) of this subsection, and such city or
626 town and the state shall again have the option to acquire such property
627 and may proceed to acquire such property in the same manner and
628 within the same time limitations as are provided in subdivisions (2) to
629 (6), inclusive, of this subsection.

630 (9) The provisions of this subsection shall not apply to transfers of
631 real property from the authority to any public service company.

632 (10) A copy of each notice required by this subsection shall be sent
633 by the party giving such notice to the clerk of the town or city in which
634 the real property is situated and such clerk shall make all such notices
635 part of the appropriate land.

636 (g) The provisions of this section shall not be construed to deprive
637 the Department of Public Health of its jurisdiction under section 25-32
638 of the general statutes. The authority shall notify the Commissioner of
639 Public Health of any proposed sale or other transfer of land, or change
640 or use, as required by said section 25-32.

641 (h) The authority shall use the proceeds of any sale or transfer under
642 this section solely for capital improvements to its remaining properties,
643 acquisition of real property or any interest or right therein, retirement
644 of debt or any combination of such purposes.

645 (i) The provisions of this section shall apply to any unimproved real
646 property or any interest or right therein related to the water supply
647 system whether owned or possessed by the authority or by any
648 subsidiary corporation.

649 Sec. 19. (*Effective from passage*) The authority shall not acquire, by
650 purchase, lease or otherwise, any existing water supply system or parts
651 thereof, or commence any project costing more than two million
652 dollars to repair, improve, construct, reconstruct, enlarge and extend
653 any of its properties or systems without the approval, following a
654 public hearing, of a majority of the total weighted votes of the
655 membership of the representative review board. In the case of the first
656 acquisition by the authority of an existing water supply system or part
657 thereof, after such approval by the representative review board the
658 authority shall file with the town clerk of each city and town in the
659 district its plan for such acquisition. The legislative body of each such
660 city and town shall approve or disapprove such acquisition plan not
661 later than sixty days after such filing, provided failure to disapprove
662 within said sixty days shall be deemed approval of such acquisition
663 plan. The authority shall not first acquire an existing water supply
664 system or part thereof except in accordance with an acquisition plan
665 approved by at least sixty per cent of such legislative bodies, except
666 that the authority shall acquire the municipally-owned Torrington
667 Water Supply.

668 Sec. 20. (*Effective from passage*) (a) The authority shall have an annual
669 audit of its accounts, books and records by a certified public
670 accountant selected by the representative review board. A copy of the
671 audit shall be filed in the office of the town clerk in each town within
672 the district and with the Public Utilities Control Authority, and shall
673 be available for public inspection during the ordinary business hours
674 of the authority at the principal office of the authority. A concise
675 financial statement shall be published annually, at least once, in a
676 newspaper of general circulation in the municipality where the
677 principal office of the authority is located. If such publication is not
678 made by the authority, the representative review board shall publish
679 such statement at the expense of the authority.

680 (b) The Attorney General may examine the books, accounts and
681 records of the authority.

682 Sec. 21. (*Effective from passage*) (a) The authority or a subsidiary
683 corporation shall not be required to pay taxes or assessments upon any
684 of the properties acquired by it or under its jurisdiction, control or
685 supervision. In lieu of such taxes or assessments the authority shall
686 make annual payments to each city or town in which it or a subsidiary
687 corporation owns property related to the water supply system equal to
688 the taxes which would otherwise be due for the property of the
689 authority or such subsidiary corporation in such municipality,
690 excluding any improvements made to or constructed on any such real
691 property by the authority or such subsidiary corporation, provided
692 land owned by the authority or a subsidiary corporation related to the
693 water supply system shall be assessed in accordance with section 12-63
694 of the general statutes. Payments for property acquired by the
695 authority or a subsidiary corporation during any tax year shall be
696 adjusted for such fractional year in accordance with the customary
697 practice in such city or town for adjusting taxes between the buyer and
698 seller of real property. The authority or a subsidiary corporation shall
699 reimburse each such city or town for its expenses in providing
700 municipal services to any improvements made to or constructed on

701 any real property by the authority or such subsidiary corporation
702 within such city or town. As used in this section, "improvements" shall
703 not include water pipes or improvements to water pipes.

704 (b) The authority may contest the assessed valuation of any
705 properties owned by the authority or a subsidiary corporation with
706 respect to which any payment in lieu of taxes is determined in the
707 same manner as any owner of real property in such city or town.
708 Payments in lieu of taxes payable to any city or town shall be paid by
709 the authority to the city or town upon the date and in the manner
710 provided for the payment of real property taxes of the city or town.

711 (c) In the event the authority in any year does not have sufficient
712 funds to make such payments in lieu of taxes, or any portion of them,
713 as the same become due and payable, the authority shall adjust its
714 rates and charges and the representative review board shall approve
715 such adjustment of rates and charges, after a public hearing thereon as
716 provided in section 14 of this act, so as to provide funds not later than
717 one year after the date on which such payment became due and
718 payable to make such payment. Any city or town or any holder of
719 bonds or notes of the authority aggrieved by the failure of the
720 authority to make any payment in lieu of taxes or portion thereof as
721 the same becomes due and payable may apply to the superior court for
722 the county in which such city or town is situated for an order directing
723 the authority to appropriately increase its rates and charges.

724 (d) Neither the authority nor a subsidiary corporation shall be
725 required to pay taxes imposed upon or measured by the receipts or
726 earnings derived by the authority or such subsidiary corporation
727 through the ownership or operation of a water supply system, or
728 imposed as a result of the income, powers, activities or items reflected
729 on the balance sheet of the authority or such subsidiary corporation.

730 Sec. 22. (*Effective from passage*) (a) The authority, subject to the
731 approval of the representative review board, may, from time to time,
732 issue its negotiable bonds for any of its corporate purposes, including

733 incidental expenses in connection therewith, and to secure the
734 payment of the same by a lien or pledge covering all or part of its
735 contracts, earnings or revenues. The authority shall have power, from
736 time to time, whenever it deems refunding expedient, to refund any
737 bonds by the issuance of new bonds within the terms of any refunding
738 provisions of its bonds, whether the bonds to be refunded have or
739 have not matured, and may issue bonds partly to refund bonds then
740 outstanding and partly for any of its public purposes. Except as may
741 be otherwise expressly provided by the authority every issue of bonds
742 by the authority shall be preferred obligations, taking priority over all
743 other claims against the authority, including payments in lieu of taxes
744 to any municipality, and payable out of any moneys, earnings or
745 revenues of the authority, subject only to any agreements with the
746 holders of particular bonds pledging any particular moneys, earnings
747 or revenues. Notwithstanding the fact that the bonds may be payable
748 from a special fund, if they are otherwise of such form and character as
749 to be negotiable instruments under the terms of the Uniform
750 Commercial Code, the bonds shall be negotiable instruments within
751 the meaning of and for all the purposes of the Uniform Commercial
752 Code, subject only to the provisions of the bonds for registration.

753 (b) The bonds shall be authorized by resolution of the authority and
754 shall bear such date or dates, mature at such time or times, not
755 exceeding forty years from their respective dates, bear interest at such
756 rates per annum, not exceeding statutory limitations, be payable at
757 such times, be in such denomination, be in such form, either coupon or
758 registered, carry such registration privileges, be executed in such
759 manner, be payable in lawful money of the United States of America,
760 at such place or places, and be subject to such terms of redemption as
761 such resolution or resolutions may provide. All bonds of the authority
762 shall be sold through a negotiated sale or a public sale to the bidder
763 who shall offer the lowest true interest cost to the authority, to be
764 determined by the authority.

765 (c) Any resolution or resolutions authorizing any bonds or any issue

766 of bonds may contain provisions which shall be a part of the contract
767 with the holders of the bonds thereby authorized as to (1) pledging all
768 or any part of the moneys, earnings, income and revenues derived
769 from all or any part of the properties of the authority to secure the
770 payment of the bonds or of any issue of the bonds subject to such
771 agreement with the bondholders as may then exist; (2) the rates,
772 rentals, fees and other charges to be fixed and collected and the
773 amounts to be raised in each year thereby, and the use and disposition
774 of the earnings and other revenues; (3) the setting aside of reserves and
775 the creation of sinking funds and the regulation and disposition
776 thereof; (4) limitations on the rights of the authority to restrict and
777 regulate the use of the properties in connection with which such bonds
778 are issued; (5) limitations on the purposes to which, and the manner in
779 which, the proceeds of the sale of any issue of bonds may be applied;
780 (6) limitations on the issuance of additional bonds, the terms upon
781 which additional bonds may be issued and secured, and the refunding
782 of outstanding or other bonds; (7) the procedure, if any, by which the
783 terms of any contract with bondholders may be amended or
784 abrogated, the amount of bonds the holders of which must consent
785 thereto and the manner in which such consent may be given; (8) the
786 creation of special funds into which any earnings or revenues of the
787 authority may be deposited; (9) the terms and provisions of any trust
788 deed or indenture securing the bonds or under which bonds may be
789 issued; (10) definitions of the acts or omission to act which shall
790 constitute a default in the obligations and duties of the authority to the
791 bondholders and providing the rights and remedies of the
792 bondholders in the event of such default, including as a matter of right
793 the appointment of a receiver, provided such rights and remedies shall
794 not be inconsistent with the general laws of this state; (11) limitations
795 on the power of the authority to sell or otherwise dispose of its
796 properties; (12) any other matters, of like or different character, which
797 in any way affect the security or protection of the bonds; and (13)
798 limitations on the amount of moneys derived from the properties to be
799 expended for operating, administrative or other expenses of the

800 authority.

801 (d) The authority may obtain from a commercial bank or insurance
802 company a letter of credit, line of credit or other liquidity facility or
803 credit facility for the purpose of providing funds for the payments in
804 respect of bonds, notes or other obligations required by the holder
805 thereof to be redeemed or repurchased prior to maturity or for
806 providing additional security for such bonds, notes or other
807 obligations. In connection therewith, the authority may enter into
808 reimbursement agreements, remarketing agreements, standby bond
809 purchase agreements and any other necessary or appropriate
810 agreements. The authority may pledge all or any part of the moneys,
811 earnings, income and revenues derived from all or any part of the
812 properties of the authority and any other property which may be
813 pledged to bondholders to secure its payment obligations under any
814 agreement or contract entered into pursuant to this section subject to
815 such agreements with the bondholders as may then exist.

816 (e) In connection with or incidental to the carrying of bonds or notes
817 or in connection with or incidental to the sale and issuance of bonds or
818 notes, the authority may enter into such contracts to place the
819 obligation of the authority, as represented by the bonds or notes, in
820 whole or in part, on such interest rate or cash flow basis as the
821 authority may determine, including without limitation, interest rate
822 swap agreements, insurance agreements, forward payment conversion
823 agreements, contracts providing for payments based on levels of, or
824 changes in, interest rates or market indices, contracts to manage
825 interest rate risk, including, without limitation, interest rate floors or
826 caps, options, puts, calls and similar arrangements. Such contracts
827 shall contain such payment, security, default, remedy and other terms
828 and conditions as the authority may deem appropriate and shall be
829 entered into with such party or parties as the authority may select,
830 after giving due consideration, where applicable, for the
831 creditworthiness of the counter party or counter parties, provided such
832 parties or counter parties shall be a financial institution whose

833 unsecured long-term obligations are rated within the top two rating
834 categories of any nationally recognized rating service. The authority
835 may pledge all or any part of the moneys, earnings, income and
836 revenues derived from all or any part of the properties of the authority
837 and any other property which may be pledged to bondholders to
838 secure its payment obligations under any agreement or contract
839 entered into pursuant to this section subject to such agreements with
840 the bondholders as may then exist.

841 (f) It is the intention of the General Assembly that any pledge of
842 earnings, revenues or other moneys made by the authority shall be
843 valid and binding from the time when the pledge is made; that the
844 earnings, revenues or other moneys so pledged and thereafter received
845 by the authority shall immediately be subject to the lien of such pledge
846 without any physical delivery thereof or further act, and that the lien
847 of any such pledge shall be valid and binding as against all parties
848 having claims of any kind in tort, contract or otherwise against the
849 authority irrespective of whether such parties have notice thereof.
850 Neither the resolution nor any other instrument by which a pledge is
851 created need be recorded.

852 (g) Neither the members of the authority nor any person executing
853 the bonds shall be liable personally on the bonds or be subject to any
854 personal liability or accountability by reason of the issuance thereof.

855 (h) The authority shall have the power out of any funds available to
856 purchase, as distinguished from the power of redemption provided in
857 this section, any bonds issued by it at a price of not more than the
858 principal amount thereof and accrued interest, and all bonds so
859 purchased shall be cancelled.

860 (i) In the discretion of the authority, the bonds may be secured by a
861 trust indenture by and between the authority and a corporate trustee,
862 which may be any trust company or bank having the powers of a trust
863 company. Such trust indenture may contain such provisions for
864 protecting and enforcing the rights and remedies of the bondholders as

865 may be reasonable and proper and not in violation of any law,
866 including covenants setting forth the duties of the authority in relation
867 to the construction, maintenance, operation, repair and insurance of
868 the properties and the custody, safeguarding and application of all
869 moneys, and may provide that the properties shall be constructed and
870 paid for under the supervision and approval of consulting engineers.
871 The authority may provide by such trust indenture or other depository
872 for the methods of disbursement thereof, with such safeguards and
873 restrictions as it may determine. All expenses incurred in carrying out
874 such trust indenture may be treated as part of the cost of maintenance,
875 operation and repair of the properties. If the bonds are secured by a
876 trust indenture, bondholders shall have no authority to appoint a
877 separate trustee to represent them.

878 (j) Notwithstanding any other provision of sections 1 to 32,
879 inclusive, of this act, any resolution or resolutions authorizing bonds
880 or notes of the authority shall contain a covenant by the authority that
881 it will at all times maintain rates, fees, rentals or other charges
882 sufficient to pay, and that any contracts entered into by the authority
883 for the sale and distribution of water shall contain rates, fees, rentals or
884 other charges sufficient to pay, the cost of operation and maintenance
885 of the properties and the principal of and interest on any obligation
886 issued pursuant to such resolution or resolutions as the same severally
887 become due and payable, and to maintain any reserves or other funds
888 required by the terms of such resolution or resolutions.

889 (k) If any officer of the authority whose signature or a facsimile of
890 whose signature appears on any bonds or coupons ceases to be such
891 officer before delivery of such bonds, such signature or such facsimile
892 shall nevertheless be valid and sufficient for all purposes as if they had
893 remained in office until such delivery.

894 Sec. 23. (*Effective from passage*) The authority shall have the power
895 and is authorized to issue negotiable notes and may renew the same
896 from time to time, but the maximum maturity of any such note,

897 including renewals thereof, shall not exceed five years from date of
898 issuance of such original note. Such notes shall be paid from any
899 moneys of the authority available therefor and not otherwise pledged
900 or from the proceeds of the sale of the bonds of the authority in
901 anticipation of which they were issued. The notes shall be issued and
902 may be secured in the same manner as the bonds and such notes and
903 the resolution or resolutions authorizing such notes may contain any
904 provisions, conditions or limitations which the bonds or a bond
905 resolution of the authority may contain. Such notes shall be as fully
906 negotiable as the bonds of the authority.

907 Sec. 24. (*Effective from passage*) The state of Connecticut does pledge
908 to and agree with the holders of the bonds or notes of the authority
909 that the state will not limit or alter the rights vested in the authority to
910 acquire, construct, maintain, operate, reconstruct and improve the
911 properties, to establish and collect the revenues, rates, rentals, fees and
912 other charges referred to in sections 1 to 32, inclusive, of this act and to
913 fulfill the terms of any agreements made with the holders of the bonds
914 or notes, or in any way impair the rights and remedies of the
915 bondholders or noteholders until the bonds or notes together with
916 interest thereon, interest on any unpaid installments of interest and all
917 costs and expenses in connection with any action or proceeding by or
918 on behalf of the bondholders or noteholders are fully met and
919 discharged.

920 Sec. 25. (*Effective from passage*) The bonds, notes or other obligations
921 of the authority shall not be a debt of the state of Connecticut or of any
922 municipality, and neither the state nor any municipality shall be liable
923 therefor, nor shall they be payable out of funds other than those of the
924 authority.

925 Sec. 26. (*Effective from passage*) The bonds and notes of the authority
926 shall be securities in which all public officers and bodies of this state
927 and all municipalities, all insurance companies and associations and
928 other persons carrying on an insurance business, all banks, bankers,

929 trust companies, savings banks, savings and loan associations,
930 investment companies and other persons carrying on a banking
931 business and all other persons whatever, except as provided in this
932 section, who are now or may be authorized to invest in bonds or other
933 obligations of the state, may properly and legally invest funds,
934 including capital in their control or belonging to them; provided,
935 notwithstanding the provisions of any general statute or special act,
936 such bonds shall not be eligible for the investment of funds, including
937 capital, of trusts, estates or guardianships under the control of
938 individual administrators, guardians, executors, trustees or other
939 individual fiduciaries. The bonds shall also be securities which may be
940 deposited with and may be received by all public officers and bodies
941 of this state and all municipalities and municipal subdivisions for any
942 purpose for which the deposit of bonds or other obligations of this
943 state is now or may be authorized.

944 Sec. 27. (*Effective from passage*) The state of Connecticut covenants
945 with the purchasers and with all subsequent holders and transferees of
946 bonds or notes issued by the authority, in consideration of the
947 acceptance of and payment for the bonds or notes, that the bonds and
948 notes of the authority, the income therefrom and all moneys, funds
949 and revenues pledged to pay or secure the payment of such bonds or
950 notes shall at all times be free from taxation.

951 Sec. 28. (*Effective from passage*) Nothing in sections 1 to 32, inclusive,
952 of this act, shall be construed to deprive the Commissioner of
953 Environmental Protection, the Commissioner of Public Health, any
954 representative review board or any successor commissioner or board
955 of any jurisdiction which such commissioners or boards may now or
956 hereafter have. Neither the Public Utilities Control Authority nor any
957 successor board or commissioner shall have jurisdiction of any kind
958 over the authority, a subsidiary corporation, the representative review
959 board or the rates fixed or charges collected by the authority. The
960 authority shall annually file the report required of municipalities
961 pursuant to section 16-29 of the general statutes with the Public

962 Utilities Control Authority or any successor board and the clerks of the
963 towns and cities within the district.

964 Sec. 29. (*Effective from passage*) If the provisions of sections 1 to 32,
965 inclusive, of this act are inconsistent with the provisions of any general
966 statute or special act or any municipal ordinance, the provisions of said
967 sections 1 to 32, inclusive, shall be controlling, except that nothing
968 contained in said sections 1 to 32, inclusive, shall exempt the authority
969 from compliance with zoning regulations lawfully established by any
970 city or town.

971 Sec. 30. (*Effective from passage*) (a) The authority or any person who is
972 aggrieved by a decision of the representative review board with
973 respect to the establishment of rates or charges, the establishment of
974 land use standards and disposition policies, the sale or other transfer
975 or change of use of real property, the location of purification, filtration
976 treatment plants, the commencement of any project costing more than
977 two million dollars to repair, improve, construct, reconstruct, enlarge
978 or extend any of the properties or systems of the authority or the
979 acquisition by purchase, lease or otherwise of any existing water
980 supply system, or part thereof, is entitled to review by the Superior
981 Court as provided in this section. For the purposes of this section the
982 holders of any bonds or notes of the authority and any trustee acting
983 on behalf of such holders shall be deemed aggrieved persons with
984 respect to any decision of the representative review board which
985 violates any covenant or other provision of the resolution or
986 resolutions authorizing such bonds or notes.

987 (b) Proceedings for review shall be instituted by filing a petition in
988 the Superior Court for the judicial district of Litchfield not later than
989 forty-five days after publication of the decision of the representative
990 review board or, if a rehearing is requested, not later than forty-five
991 days after the decision thereon. Copies of the petition shall be served
992 upon the representative review board and published in a newspaper
993 or newspapers having a general circulation in each town or city

994 comprising the district.

995 (c) The filing of the petition shall not of itself stay enforcement of the
996 decision of the representative review board. The representative review
997 board may grant, or the reviewing court may order, a stay upon
998 appropriate terms, provided enforcement of a decision respecting the
999 establishment of rates or charges may be stayed only after issuance of a
1000 judgment for the appellant by the reviewing court.

1001 (d) Not later than thirty days after service of the petition, or within
1002 such later time as may be allowed by the court, the representative
1003 review board shall transmit to the reviewing court the original or a
1004 certified copy of the entire record of the proceeding under review,
1005 which shall include the representative review board's findings of fact
1006 and conclusions of law, separately stated. By stipulation of all parties
1007 to the review proceedings, the record may be shortened. A party
1008 unreasonably refusing to stipulate to limit the record may be taxed by
1009 the court for the additional costs. The court may require or permit
1010 subsequent corrections or additions to the record.

1011 (e) If, before the date set for hearing, application is made to the court
1012 for leave to present additional evidence, and it is shown to the
1013 satisfaction of the court that the additional evidence is material and
1014 that there were good reasons for failure to present it in the proceeding
1015 before the representative review board, the court may refer the case
1016 back to the board with instructions to take such evidence as the court
1017 directs. The representative review board may modify its findings and
1018 decision by reason of the additional evidence and shall file that
1019 evidence and any modifications, new findings or decisions with the
1020 reviewing court.

1021 (f) The review shall be conducted by the court without a jury and
1022 shall be confined to the record. In cases of alleged irregularities in
1023 procedure before the representative review board, not shown in the
1024 record, proof thereon may be taken in the court. The court, upon
1025 request, shall hear oral argument and receive written briefs.

1026 (g) The court shall not substitute its judgment for that of the
1027 representative review board as to the weight of the evidence on
1028 questions of fact. The court shall affirm the decision of the
1029 representative review board unless the court finds that the substantial
1030 rights of the appellant have been prejudiced because the representative
1031 review board's findings, inferences, conclusions or decisions are: (1) In
1032 violation of constitutional provisions, any general statute or special act
1033 or the provisions of this act; (2) in excess of the authority of the
1034 representative review board; (3) made upon unlawful procedure; (4)
1035 affected by other error of law; (5) clearly erroneous in view of the
1036 reliable probative, and substantial evidence on the whole record; or (6)
1037 arbitrary or capricious or characterized by abuse of discretion or
1038 clearly unwarranted exercise of discretion. If the court finds such
1039 prejudice, it shall sustain the appeal and, if appropriate, may render a
1040 judgment under subsection (h) of this section or remand the case for
1041 further proceedings.

1042 (h) If a particular representative review board action is required by
1043 law, the court, on sustaining the appeal, may render a judgment that
1044 modifies the representative review board decision, orders the
1045 representative review board action, or orders the representative review
1046 board to take such action as may be necessary to effect the particular
1047 action.

1048 (i) In any case in which an aggrieved party claims that he cannot
1049 pay the costs of an appeal under this section and will thereby be
1050 deprived of a right to which he is entitled, he shall, within the time
1051 permitted for filing the appeal, file with the clerk of the court to which
1052 the appeal is to be taken an application for waiver of payment of such
1053 fees, costs and necessary expenses, including the requirements of
1054 bond, if any. The application shall conform to the requirements of
1055 section 28A of the Practice Book. After such hearing as the court
1056 determines is necessary, the court shall enter its judgment on the
1057 application, which judgment shall contain a statement of the facts the
1058 court has found, with its conclusions thereon. The filing of the

1059 application for the waiver shall toll the time limits for the filing of an
1060 appeal until such time as a judgment on such application is entered.

1061 (j) Neither the authority nor the representative review board shall be
1062 construed to be an agency within the scope of chapter 54 of the general
1063 statutes.

1064 Sec. 31. (*Effective from passage*) The State Bond Commission may
1065 insure in the name of the state and may make advance commitments to
1066 insure any sums borrowed by the authority, not exceeding in the
1067 aggregate five million dollars, for the purpose of providing working
1068 capital and organization funds for the authority. In the event the state
1069 becomes liable as a result of default with respect to any such sums
1070 borrowed by the authority which were so insured by the state,
1071 necessary payment shall be made by the state treasurer from funds
1072 appropriated for debt service. Whatever sums are borrowed by the
1073 authority under the provisions of this section shall be repaid by the
1074 lender or lenders of the same on or before July 1, 2016.

1075 Sec. 32. (*Effective from passage*) Neither the members of the authority,
1076 nor any person acting on its behalf nor any member or employee of the
1077 representative review board, while acting within the scope of their
1078 authority shall be subject to any personal liability resulting from the
1079 erection, construction, reconstruction, maintenance or operation of the
1080 properties or any of the improvements of the authority or a subsidiary
1081 corporation or resulting from carrying out any of the powers expressly
1082 given in sections 1 to 32, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section

Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	New section
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>from passage</i>	New section
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>from passage</i>	New section
Sec. 22	<i>from passage</i>	New section
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Sec. 24	<i>from passage</i>	New section
Sec. 25	<i>from passage</i>	New section
Sec. 26	<i>from passage</i>	New section
Sec. 27	<i>from passage</i>	New section
Sec. 28	<i>from passage</i>	New section
Sec. 29	<i>from passage</i>	New section
Sec. 30	<i>from passage</i>	New section
Sec. 31	<i>from passage</i>	New section
Sec. 32	<i>from passage</i>	New section

Statement of Purpose:

To establish a regional water authority in the northwest portion of the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]